# 00518

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## DECONTROLLED DEPARTMENT OF STATE

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KORZA: NONTH-SOUTH DIALOGUE

#### New Developments

North and South Korea seem to be moving slowly toward agreement on a meeting between their prime Ministers. Both sides have shown flexibility to make this possible; the North for the first time has accepted the principle of government-to-government talks and a step-by-step approach, while the South has pursued the dialogue in good faith despite the ROKG's tenuous, transitional standing at home. Three working level meetings have taken place so far. Several more devoted to questions of agenda and site will be necessary before a Prime Ministers' meeting can be arranged, perhaps in late spring.

North Korea's motives are not yet clear. It may simply be pursuing the tactical propaganda advantage presented by perceived weakness in the South following the death of President Park. However, neither we nor the ROK exclude the possibility of a new willingness on North Korea's part to reduce tensions. It is too early to make a clear judgment on this, but in the meantime the U.S. and China should both be pursuing our common interest in creating an environment in which North-South progress will be encouraged to flower.

We have long made it clear publicly that we are prepared to take steps to widen contact between the U.S. and North Korea so long as such steps are paralleled by similar actions by China or the Soviet Union vis-a-vis the South. Areas in which such contacts could be established include trade, travel and cultural and sports exchanges. The coincidence of the Zhang visit and tentative North-South contacts provides an opportunity for us to reinforce this point with the Chinese with some specific examples.

A major US-ROK military exercise currently in progress--Team Spirit 80--has drawn an unusually shrill response from North Korea, echoed by the Soviets. The Chinese, by contrast, while mildly supporting the North Korean position, have said publicly that "the North and the South should stop

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the military acts and exercises which show hostility and threaten the other side". North Korea has in fact just completed one of its largest military exercises in years, but without public notice.

#### Points to be Made

- -- We welcome the current effort to establish a North-South Korean dialogue. We are encouraged by the flexibility and willingness to compromise which both sides are exhibiting.
- -- Ultimately real progress toward reduction of tension on the Korean pensinula will have to be worked out by the Koreans themselves.
- -- China and the United States have a common interest in doing whatever we can to encourage and facilitate this dialogue.
- -- In the past we have stated our willingness to move in tandem with China, taking steps to improve contacts with North Korea if they are paralleled by Chinese steps to improve contacts with the South.
- -- We are prepared to explore trade as a medium for such reciprocal actions; we are not, of course, prepared to take unilateral, unreciprocated actions vis-a-vis the DPRK which would leave the ROK isolated from normal interchange with its major Chinese neighbor.
- -- We are also prepared to facilitate increased contacts between private citizens of the U.S. and North Korea, provided China will take parallel steps to encourage private contacts between China and South Korea. Exchanges in the field of sports, education and culture all have potential promise.

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(If raised by the Chinese)

- -- Team Spirit 80 is one in an annual series of routine military exercises of the sort which will continue to be necessary so long as tensions remain high in Korea.
- -- North Korea of course runs similar major exercises; one has only recently been completed.
- -- Team Spirit has been long in the planning, and is in no way related to the current North-South dialogue.

March 13, 1980

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